

Keeping the targeted approach

The low risk approach to anti-money laundering legislation must be maintained, writes Euromat general secretary *Kieran O'Keeffe*

FOLLOWING the agreement of the 4th Anti-Money Laundering Directive in 2015, many member states are still finalising their transposition of the directive.



Euromat, at the time of the original discussions, fought hard to ensure that member states had the ability to exempt low risk operators from the scope of the directive's requirements. European governments should ensure that they exercise this as they translate the directive into their own national law.

Ensuring that a rigorous system of checks and balances is in place to fight money laundering is an important policy objective. However, to be effective authorities need to be targeted at those sectors where the risk is highest.

With tight restrictions on stakes and prizes across Europe, gaming machines outside casinos would certainly fall within the low-risk category. Failure to exempt gaming machines would unnecessarily increase the regulatory burden for operators, particularly if it required them to have manual or electronic systems in place to demonstrate compliance.

The most compelling argument to keep low risk operators out of the scope is that it will help target enforcement authorities at the problem areas. A targeted approach is likely to be more effective and money laundering is too serious an issue not to take an opportunity to maximise the ability of authorities to enforce the law.

This principle was understood in 2015 when the text was finalised. Member states have to maintain this approach if they want legislation that will be an effective tool in fighting money laundering.